THE DEWAN-PRESIDENT'S STATEMENT.

Dewan President:

Fellow-Members of the Travancore Legislature.

Under the provisions of Rule 68, Sub-Rule 4, as President, I propose to make a statement on the document which has now been placed before you. In the first place let me take this opportunity to congratulate the Financial Secretary to Government on the comprehensiveness and the lucidity that have marked the presentation of the figures of revenue and of expenditure. Let me specially congratulate him on the efforts made by him, which I account to be highly successful, to give a bird's eye view of the position of the State and its possibilities and potentialities from the financial point of view. In the discussion of the financial statement, in the elucidation of the Budget of the State, certain aspects have to be borne in mind, which I shall, with your leave, place before you in as succinct a form as possible.

Let me, to start with, associate myself with the remarks which fell from the Financial Secretary to Government in regard to the hopes that he expressed, and the confident expectation which was visible in his speech as to the likely permanence of the peace and the contentment of the State at the present moment. It has not been achieved without difficulty, and let us hope it will not be disturbed again to the detriment of the progress of the State.

In dealing with the financial statement, certain outstanding features should not be lost sight of. Firstly, this country possesses a total area of just under 8000 Sq. miles of which, between a fourth and a third are occupied by backwaters and hills. What does that mean? It means that in an area of about 6000 Sq. miles—perhaps a little less—there is a population of $5\frac{1}{4}$ millions according to the last census and it is now anticipated to be about 6 millions in the forthcoming census. Six million people are thus existing, working and trying to mak a livelihood in an area of 6000 Sq. miles. That is a population the density of which is perhaps the highest in Asia excepting Java. It is this predominating factor which has to be borne in mind by every one who is concerned with the political or the financial administration of the State. It must also not be forgotten that the revenues of the State as well as the population of the State give it a rank among Indian States, next only to Hyderabad and Mysore and in the matter of general enlightenment and education this State yields to no part of India. In the matter of actual and potential revenue, there is no other State which has relatively larger possibilities because, as I shall endeavour presently to indicate, with the proper husbanding of our resources and proper expansion of our nation-building services, it may be confidently asserted that in the course of the next decade, our revenues without additional taxation, can and will reach the 3 crores limit.

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Now, having said that, there is one other compelling factor which must not be forgotten, and that is, that we have to buy our food. It is possible and I hope it will be our definite programme to increase the area of cultivation. This, however, does not amount to much in view of the lie of the land; but what we do not have in extension we must create in intensity. Intensive cultivation and the creation of new sources of food supply, like the soya bean which can be grown without difficulty and which serves agricultural as well as industrial needs—these are some of the urgent problems before us. We are not able to grow all these cereals and other food products which will keep us alive. We are today under the obligation to import rice from Burma or Siam, or other localities. Therefore, it must ever be borne in mind by those interested in the State and in the development of the State, that the commerce of the State, the industries of the State, and the activities of the State must be so directed, regimented, consolidated and organised that we might get enough by way of surplus to buy our food supplies. That is the reason why we want an active policy of industrialisation, and of a new education adapted to that industrialisation, in order to survive in the struggle for existence.

I have made special reference to this feature because, without complete co-operation between the Government and the people, without an one-pointed determination literally to make two blades of grass grow where one grew before, without a definite resolve to improve our industrial possibilities and intensify our agricultural production, we shall be in a very difficult state.

In the domain of agriculture there are one or two matters which are exercising the minds of everyone in Travancore. One is the cocoanut problem. This is a matter of life and death to Travancore as it is to our neighbouring State and some of the nearby districts. We believe cocoanut has been dumped here from Ceylon to the prejudice of Indian produce. That has affected to a large extent the main industry of the State. The sooner this problem is dealt with, with large-heartedness and wide vision, with the underlying idea of augmenting Indian resources and for making India self-sufficient in this matter, and the sooner such policy is taken on hand by those responsible for the formulation and the carrying on of that policy into effect, the better will it be. The alternative is very dismal to contemplate. Therefore, it is hoped that the representations that this Government and the Government of the neighbouring State, and the Malabar District of the Madras Presidency are making to the Government of India, will fall on responsive ears and that we shall have some alleviation of our troubles. Practically, the cocoanut industry and the coir industry are the two fundamental pivotal industries of the State. It must be realised by those who are charged with the responsibility of deciding the question, that there is a difference between the industries as conducted here and those conducted elsewhere. Elsewhere, the production of cocoanut and cocoanut products is largely on a plantation basis.

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Wealthy financiers and commercial magnates owning about one or two thousand acres or even larger areas, densely planted and carefully looked after, are easily able to produce and market their products under advantageous and competitive conditions, with that lavish advertisement which with the resources at their disposal they alone can afford, whereas in Travancore, production of cocoanut is intrinsically and solely, a cottage industry. Each poor man, with his backyard or field of half an acre or an acre, owns a few trees and out of the proceeds of these he expects to fill the gap of livelihood between necessity and starvation. It is therefore impossible for him adequately to advertise his goods; it is impossible for him, speaking practically, to mark or grade his goods and it is impossible to keep up all those high standards which people in a more fortunate situation are able to adopt. The handicap, the natural hardships of fragmented holdings and labour working on the margin of starvation, must also attract the attention and engage the careful consideration of the authorities, who will, I trust, deal with this matter in a spirit of all-India patriotism.

In this connection, I am able to give you some good news. I am glad to be able to tell you that, quite recently, the Canadian Government, from whose markets our coir produce were practically shut out on account of high tariff walls, have amended to our advantage the tariff rules with the result that we are now in a better position to capture that market. That is a part of the general scheme of Empire preference which, I trust, will enure to our advantage.

I have spoken of the necessity of producing our own food. There is one matter which should engage the attention of every one in this State and that is the importance of the quality of the food we eat. In the country-side, tapioca is the main and has almost become the exclusive diet of the poorer classes apart from a thin gruel or *conjee* and a stray jack or banana. A more innutritious product does not seem to have been invented by Nature and it is responsible for the peasantry's lack of resistance to disease and comparative inefficiency. The remedy is very clear and easy, if only it will be pursued, by the people and the Government agents, with a will. This country produces almost one-fifth of the total quantity of fish caught in the whole of India. What is taking place today in this State is that the fish is consumed only in the coastal areas, and a large portion of it is left to rot and waste. If there could be brought about a wise scheme of transport for the purpose of taking the fish, properly refrigerated, from the coast to the interior, and if in the interior those people who are not vegetarians (and they count more than four-fifths of the population of the State) could be given this nutritious food at a cheap rate, that would make all the difference between health and ill-health, efficiency and inefficiency. It was with that desire that the cold storage scheme was inaugurated in Trivandrum. At once began the cry of "deliberate starvation of fishermen". Propagandists went to the fishermen, went from house to house, and told them "Here is a scheme which will result in your elimination. The Government are out to make illicit gains at your

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expense." The result of such poisonous propaganda was that a very important and nation-building programme was delayed. The amateur politicians who were responsible for that propaganda ought to be ashamed of that propaganda, because they have delayed a vital scheme, by their short-sightedness by pursuing a short-sighted and idiotically destructive policy of blindly striking at Government. Government do not want to make a profit out of it; and if private enterprise will initiate such a system and will buy the fish up and send it cheaply and well-preserved to the interior parts, then the problem would be solved; not entirely of course, but to some extent. Surely, in such a matter, there is the possibility for complete co-operation between the Government and the people. I trust such co-operation will be forthcoming.

Another matter which most attracts the attention of visitors to this State is this. In certain seasons, the jack fruit is practically thrown to waste and you can see ripe jack fruits rotting on the road. The pine-apple, which is better in quality here than pine-apple almost anywhere else, is being allowed to waste, whereas in England today, if you want to buy pine-apple, you will have to pay like 50 to 100 times the price at which it can be purchased in Travancore according to the season. If a proper organisation is started for the purpose of establishing a canning industry, and for the export of our fruits, that will greatly advance the prosperity of our country.

Last year, speaking from my place as President, I indicated the policy of Government with regard to Trade Agency. I invited the Chambers of Commerce to take up that work so that the money paid to the Agents may be given to them as the representatives and protagonists of the commerce of this State, so that they might carry on the advertisement of our trade and do proper propaganda in relation to our products and manufactures. I trust that the commercial and industrial interests who are functioning in this State will come together and take all those responsibilities from Government in regard to the advertisement of the products of this country and propaganda work. That surely is a matter for non-official enthusiasm and conjoint effort. That surely is not the task of Government nor is any great result to be expected from what may be called the "red tape or *mamool*" routine of Government.

I may mention, in this connection, that in most countries in Europe, they largely augment their national incomes from what they call tourism the income derived from tourists. With a view to augment our income from that source arrangements are being made with Messrs. Thos Cook & Son, the biggest travel and transport agents in Europe, to act as our agents in London, Paris, Berlin, Colombo, New York, Singapore and Bombay. They will open what may be called a Travancore Section in London and in the other places mentioned. In addition to that they will keep select stocks of our natural and commercial products in those cities, for inspection. In addition to the work of that

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organization, I trust the non-official agents of this State will so co-operate as to make it possible for us to derive a handsome income. Moreover, on a purely commercial and commission basis, Messrs. Thos Cook & Son will be paid a percentage of our net profit from the tourists who visit this State. As a matter of fact, arrangements are already in progress for the coming into Travancore of a large body of tourists. Those tourists in some of the luxury liners of Europe and America have till now been avoding Travancore for want of necessary facilities. We can expect from 400 to 500 tourists annually from 1940 onwards. But then what happens? That is a matter which again deserves the most anxious and careful consideration. A tourist comes here and he wants to purchase what may be called the characteristic goods of Travancore. Where is there that non-official organisation for the purpose of propaganda in regard to that matter? That is a question which the non-official public of Travancore will have to deal with. To expect Government to do that is to expect the impossible. Government, as they are constituted, the Heads of departments, Secretaries to Government, Assistant Secretaries, Superintendents and clerks may be very good in disposing of files; but in commercial matters, the flair for advertisement and the instinct for salesmanship are obvicusly and notably deficient in them. It is not the duty of Government but it is the public's duty to attend to propaganda work.

One more observation I have to make on the general budget. You will have seen on more than one occasion reference being made to what are called Government balances. There are two methods of financing productive and non-productive public schemes. One method is to adopt the maxim of posterity paying for what benefit posterity. The other is for us of the present generation to handle those works ourselves and pay for them ourselves. An over cautious—I do not want to characterise it differently—an over-cautious policy in the past has tended to this result, that to-day Travancore has got a tiny public debt of Rs. 50 lakhs whereas she has paid and is continuing to pay out of her income and her resources for the financing of the schemes, productive and non-productive, to the extent of 4 crores. Now surely, the water supply of Alleppey, the water supply of Shencottah or of Nagercoil, the re-making of a road on a quasi-permanent basis, the Pallivasal Hydro-Electric Scheme, the clay refining factory—all these things are ventures and enterprises which will benefit the country, not for the next two or three years but for the next 25 or 30 or 50 years. It stands to reason that those Governments which are embarking on projects of that kind should embark on those projects on borrowed capital, borrowing money from the public at as easy a rate as possible and providing for adequate sinking funds and distribute the repayment of the amounts so borrowed over a period of 20, 30, 40 or 50 years. That is the policy adopted everywhere else. We have, on the other hand, tried to finance all those projects practically out of our savings and out of our fluid and present resources. If I may so, that policy is not one which need be adhered to. It may be seen in this connection that in order not to make a

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violent departure from that policy, we have maintained the old plan in regard to the financing of our non-productive and our productive schemes for next year, that is, to the extent of Rs. 54 lakhs, from our savings and our income. I did not want to adopt any other plan because I did not desire to do so without these two Houses being fully acquainted with and the country fully conscious of the necessity to adopt a change of programme. In future, therefore, it will be the object and the aim of Government to finance these, what may be called, long-term enterprises by loans and not by trespassing upon savings or upon the revenue. Let me give you an instance. If we take the programme of capital works, at page 19 of the volume which is before us we find that next near we are spending Rs. 24·5 lakhs upon water supply schemes, drainage schemes, town planning schemes, military works and miscellaneous items. Obviously these are schemes which are of a permanent character and to finance these schemes posterity who will benefit by them as much as we do and in fact progressively more than we do, will have to pay. That amount of Rs. 24·5 lakhs should not, normally and according to the canons of modern finance, come out of our Savings or out of our revenues. But we are going to do so next year, because I did not desire to make a violent departure from the past practice. Let me take the instance of productive schemes:—

Pallivasal Hydro-Electric Project	Rs. 20·00	lakhs.
Ceramic Factory	,, ·50	,,
Commercial Transport	,, 1·75	,,
Telephone Schemes	,, 3·00	,,
Other Electric Schemes	,, 2·50	,,
Loan to the Cochin Harbour	,, 2·00	,,

The same remarks apply to these. Therefore when you hear or read in this volume about what may be called decrease of Government balances, such decrease of Government balances, is entirely imaginary and easily preventable. The decrease of Government balances is due to this policy which I have tried to expound. What have we got in return for that? We have got capital works of a productive and protective nature of the value of Rs. 4 crores which will benefit this country not only now but for a long series of years. I am making these remarks in order that people may not run away with the idea that there has been some kind of hanky-panky or extravagant treatment with regard to Government finance. It is nothing more nor less than the adoption of a particular financial theory unsuited to present day conditions. According to the canons of the immediate past, productive and protective works which ought normally to be met by loan have been constructed out of our savings and out of our resources, a policy which makes our balances small nominally. But, when we remember that we can go to the money market with these assets at our back the raising of Rs. 2 crores at very favourable rates will be an easy proposition. Fortunately we are not obliged to make

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any such excursions into the money market. In the course of the next year or two at the utmost we shall require only about Rs. 50 lakhs. The proper time will be chosen and when national or international tension is not so keen as at present I am sure that we shall get the best possible results. That our finances have been carefully husbanded by the Financial Secretary I might tell you by giving you an example. Recently the Government of India floated a loan and they substituted one variety of security by another. By promptly converting Rs. 33 lakhs of the old into the new Government of India loan we got a net profit of Rs. 79,000 out of it. That is chronicled in the Financial Secretary's note and I must congratulate the Financial Secretary and his department on the promptitude and the financial vision with which that transaction was conducted.

There is another matter which I desire to emphasise and emphasise very strongly. It must be remembered that the bulk of the income of the State is derived from indirect taxation. This is not often realised. 18 per cent. of the income is dervied from customs and match excise and another 18 per cent. from other excises and about 9 to 10 per cent. from salt. What does that mean? About half our total income is derived from what may be called central or federal sources of revenue. This is an aspect which has to be very carefully borne in mind in the discussions which may take place in the immediate future. It must be remembered that, in this respect, Travancore differs from almost every Province excepting Madras and Bombay and notoriously differs from the Punjab, the United Provinces, the Central Provinces, Assam, and Behar and also differs in this respect from almost every other State excepting the few maritime States which have not already entered into special arrangements with the Government of India.

Land Revenue yields to us less than Rs 40 lakhs; it represents, 15 per cent. of the total revenues of the State, whereas land revenue is the backbone of provincial finance generally speaking. Income Tax brings us about Rs 10 lakhs and the aggregate of the two taxes *i. e.* about 50 lakhs is all the direct tax that the people of the State are paying. In other words, a population of 5¼ millions is paying by way of direct taxation a total of Rs 50 lakhs; the bulk of our revenue, over two crores is derived from indirect taxation.

It will be seen from the figures that I have quoted that the incidence of Land Tax in the State is 10 annas per head per annum; surely that is one of the smallest items of direct taxation in the world.

Now, the elasticity of our revenue is another matter which should not be forgotten. Let me tell you exactly what we have done recently.

Remissions.

The following remissions were granted from 1112 onwards:—

In 1112 a seasonal remission of tax allowed to the Southern taluk came to Rs. 12,280. In 1113 there was a remission of tax including water cess and irrigation assessment in the Southern taluks for the

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Kanni crop. The benefit was extended to Kandukrishi and Sripandaravagai lands also. The total remission amounted to Rs 1,09,040. There was also a general remission of 50 per cent. on tax of Re. 1 and below, 12½ per cent. on tax above Re. 1 and total remission of land tax of one chuckram and less in respect of the current arrears for 1113 under Ayacut outstanding on the last day of Karkatakam. The amount thus remitted was Rs 93,858. The above remission was allowed in respect of water cess and irrigation assessment as well, the amount remitted being Rs 3,449. The benefit of these concessions was extended in 1114 to those who had already paid their tax for 1113 and to those who would pay their kists for 1114 at least one month before the close of the year. The amount remitted on this account is estimated at Rs 4,30,668.

A general remission of one half of the demand notice fee was allowed during the first half of 1114 for those who paid their dues before the end of Makaram 1114.

Twenty per cent. remission of the Ayacut demand in the taluks of Thovala, Agastheeswaram (except the pakuthies of Neendakara A and B divisions), and Shenkottah, including Sripandaravaga lands, has been allowed for a period of five years from the second half of 1114. On an average this brings about a remission of Rs 84,400 per annum.

RURAL UPLIFT.

A sum of Rs. 50,000 has been set apart in the budget for the next year for being utilised for rural welfare work. Seven Village Panchayats, constituted under Act VII of 1100, have been in existence for some years, but the results have fallen short of expectations. It is therefore proposed to introduce a scheme to rehabilitate the Village Panchayats. The idea is to have a Village Panchayat for every village. It is proposed to have one Panchayat in every taluk next year. The most suitable village will be selected for the purpose. All the nation-building departments will as far as possible be represented in the Panchayat and the Tahsildar of the taluk will be the chairman. It is expected that the changes now proposed will go a great way in improving the conditions of the villagers.

MARKET TOLLS.

Government also propose to abolish tentatively during the next year the market tolls in respect of head loads weighing less than twenty pounds. It is hoped that this will afford some relief to poor villagers who carry the fruits of their labours to the market and with the proceeds thereof purchase the necessaries of life.

SUPPLY OF DRINKING WATER IN SOUTH TRAVANCORE.

About six months ago it was brought to the notice of Government by officials as well as by non-officials that there was scarcity of drinking water in South Travancore as most of the wells in the interior of the taluks had dried up. After carefully investigating the matter a

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small committee was constituted in each of the five taluks to go from village to village, make enquiries as to the sources of water supply and to suggest the deepening or sinking of wells where necessary. A sum of Rs. 10,000 was distributed to the five taluks. The formalities such as preparation of estimates, etc., were dispensed with in order to save delay and the Tahsildars were directed to disburse the amounts in two or three instalments as the works progressed.

With a view to afford a plentiful supply of good water for drinking purposes in areas where its necessity is keenly felt so as to prevent the outbreak of epidemic diseases, particularly cholera and typhoid, Government have resolved that a sum of Rs. 10,000 should be provided in the budget for 1115 to be spent in digging permanent wells in South Travancore and Shencottah. The Land Revenue and Income Tax Commissioner, the Director of Public Health and the Division Peishkar and the Executive Engineer concerned will form a standing committee for the purpose and will be at liberty to secure the co-operation of non-officials by the formation of committees either for a pakuthi or for a group of pakuthies or for a taluk. The idea is to carry out a three-year programme of sinking such wells.

A sum of Rs 7,500 will be provided in the budget for sinking big wells according to the P. W. D. plan and estimate after scrutiny by the Committee.

An annual expenditure of over Rs 1,000 is now being incurred for the supply of water to the Muttom Village by means of lorries. A scheme based on the tapping of a perennial spring at Attinkarai costing Rs 32,000 is proposed to be worked out. A sum of Rs 25,000 has been provided in the budget for the purpose.

Irrigation facilities in South Travancore.

The main source of water supply for irrigation purposes in South Travancore is the Kodayar Project, and it is found that this source is not adequate to meet the requirements particularly in years of partial failure of the monsoon. The possibility of augmenting the supply of water in the Kodayar Reservoir has been considered and an estimate for the investigation of the Perinchani Reservoir Scheme has been sanctioned. The necessary provision has been made in the budget for 1115.

Government have also resolved upon improvements to the existing tanks and have discountenanced their assignment either on registry or on Kuthagapattom. A sum of Rs 25,000 has been provided in the budget for 1115. A similar provision is proposed to be made in subsequent years also, and a standing committee of the Land Revenue Commissioner, the Division Peishkar, Trivandrum, and the Executive Engineer, Southern Division, will carry out the work of improving the tanks and they will be charged with the duty of utilising the amount successfully. They will be at liberty to secure the co-operation of leading non-officials by the formation of committees.

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CONSERVATION OF MONSOON RAIN WATER.

A scheme for the control and conservation of monsoon rain water by constructing suitable reservoir dams along the sources of rivers so as to regulate the flow of water and to prevent the silting of rivers in times of flood and the inrush of brine at other times is also under investigation and will be taken up early.

THOTTAPALLY SPILLWAY AND BRIDGE.

The existing facilities for the drainage of flood water in Kuttanad are poor and unsatisfactory. During monsoons the lower regions in Kuttanad remain submerged under more than five feet of water. It is proposed to construct a spillway at Thottapally with banks on either side of the channel with twenty feet top width. The channel itself will be 1200 feet wide and where it cuts the Quilon-Alleppey road it is proposed to put up an Ascu treated timber bridge. The investigation and survey are in progress and the construction of the bridge and the spillway will be taken up after the fixing of alignment of the road and the acquisition of the land. The approximate cost of the whole work will be Rs. 3,50,000.

I now turn to a topic which has aroused some controversy; and that is, our policy with regard to Jaffna tobacco and the imposition of slightly enhanced duty on it. I am now turning from direct to indirect taxation. Jaffna tobacco is now taxed at Rs 135 for a candy of 660 lbs. whereas in British India, a candy is taxed at Rs 1,650. This arrangement was brought about because the people of Travancore have cultivated and maintained an abiding taste for the particular method of curing adopted in what is called 'Jaffna tobacco'. That was the reason why, many many years ago, a certain special power or privilege was vested in the Government of Travancore for the levy of differential and favourable rates of duty on Jaffna tobacco with a view to stimulate its import into the State. To the extent to which that was done, we have crippled our own tobacco production notwithstanding the fact that there are large tracts within the State itself capable of raising tobacco, good tobacco; and it is not beyond the wit of man to devise a method by which the particular kind of curing is adopted by ourselves which gives Jaffna tobacco that flavour which commends itself to the palates or mouths of the people of Travancore. Surely, it was not beyond our capacity to devise some method of producing here a suitable substitute for Jaffna tobacco. But we have not done that. All the same, having regard to our revenue demands, purely for revenue purposes, we have now raised the duty on Jaffna tobacco from Rs 135 per candy to Rs 200. We have not yet concerned ourselves with the question of retaliatory measures against the repatriation or tariff policy of Ceylon. It is not my object now—nor will it be appropriate—to speak fully on that topic at this juncture. But, let it be remembered by Ceylon that one of our very flourishing trades was practically, annihilated by the heavy import duty imposed a few years ago by the Ceylon Government of Travancore eggs. Let it be remembered that Travancore, like the neighbouring State and the neighbouring districts of British India, is suffering on

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account of the dumping into British India of Ceylon cocoanut and cocoanut products. Our natural markets are being interfered with, so that it would not be inequitable or sinful, on the part of the Travancore Government, if they exercise their power in this matter to secure their legitimate rights and claims. But we have not so far done so in the interest of amity and of possible fruitfulness in the negotiations on foot. I leave it at that.

Turning now to expenditure, it will be seen that over Rs 50 lakhs are spent on education and Rs 33 lakhs on roads, bridges, protective irrigation and other P. W. D. works; and, under the heading Medical, Public Health and Sanitation we spend about Rs 15 lakhs. As against these, only less than 4 per cent. of the total revenues of the State go to the Privy Purse of His Highness the Maharaja.

Turning next to the schemes now in execution, I desire first to deal with the most important among them. You have heard from the Financial Secretary that the Pallivasal Hydro-Electric Scheme is expected to supply power from the middle of December. I have gone there; and may confidently assure the House that there would be no further delay, so much so, that in the expectation that power would be available in December, we are now entering into contracts for the supply of power in bulk to various individuals and organisations. It will also be noticed that the Trivandrum Electric Supply has built up adequate reserve and is thriving very well. Once cheap power becomes available, there will be ample scope for industrial and agricultural progress on intensive lines. I desire to reiterate what I said when I began my remarks, namely, unless intensive agriculture and wide-spread industries are resorted to, the future of this State would be dismal. In relation to this subject those who have the future of the State at heart are dissatisfied with the present methods of the Agricultural Department here, as are the people of the other parts of India with regard to the Agricultural Departments there. What happens is this. The Agricultural Department opens demonstration farms. These farms are almost always objects of ridicule among the neighbouring peasants because of the poor out-turn after much inevitable overhead and departmental expenditure. These farms must be run for research work, for the production of new strains, for introducing economical methods, for familiarising people with new varieties of food stuffs or fruit and new veterinary practice and breading of new types. They assert that if the Department would give them the money they spend on their farm they could produce much better results than the Department. Unless the Department is able to discover a new variety of food crop or commercial crop, or eradicate some pest or do some really creative work, there would be no use in maintaining any of these demonstration farms which are a real handicap to Government. These farms may also be conceivably useful if they attract young and educated persons and enable them to study new and intensive methods of horticulture, agriculture or veterinary practice or cattle-breeding. While saying this I am not oblivious to the fact that this state of affairs is nothing peculiar to Travancore; this is what is taking place in

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Madras; the same thing occurs elsewhere too. Everywhere you have Directors, Assistant Directors and other officers in the Department; a number of demonstration farms are started without any of them attracting the attention of the common people of the country; we have our fruit farm at Cape Comorin, and other futile institutions. There is no arrangement for proper propaganda or marketing. The whole arganisation is run on essentially unbusinesslike lines. This is the position with regard to the Agricultural Departments of all Governments in India.

To summarise, this Department should confine itself to research work in the matter of discovery and production of new varities, elimination of plant diseases, eradication of pests, and also the starting, if possible, of farms like that of Rothhamstead which will show to the people of the country that the Government can produce better and more products at a cheaper cost than the common peasant of the country. If the Travancore Agricultural Department can do that, let it live; if not, let it not live.

Similar and even more drastic remarks are called for in regard to the Co-operative Department. Now, the Co-operative Department has become an agency of petty and short-sighted usurers. It has become a money-lending organisation too often benefiting a coterie. Many of our societies do not practise co-operative principles. No doubt, it was one of the objects of the progenitors of the movement to afford cheap credit also.

But that was only a subsidiary idea. The Co-operative Department was designed for the purpose of bringing people together, to pool their agricultural and industrial resources to arrange for marketing their products, distributing manure, doing propaganda work and proper marketing, and the affording of cheap credit was only one of the means to an end which was that of co-ordinating the united efforts of an otherwise scattered community of peasant proprietors and small industrialists. The result of that is that, today, 60 to 65 per cent. of our co-operative societies have no right to exist. It would be the duty of the Government to take all necessary steps to bring about the extinction, in as painless a manner as possible, of these so-called co-operative societies which have become a meance to society and to the co-operative ideal, and then the other really useful co-operative societies will be so re-organised that they may do real co-operative work. That is what the Government have in their view.

I have spoken of the difficulties of meeting competition with Ceylon in regard to cocoanut. Supposing, for instance, we can combine ourselves into co-operative societies for the purpose of advertisement and grading and finding markets for cocoanut products, treatment of cocoanut pests, etc., the problem can be largely solved. What do they do in Denmark? Today, England has ceased to be an agricultural country; and Denmark has taken advantage of it. They have organised co-operative societies for production and for marketing. Every

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morning, co-operatively produced milk and cheese and butter transported by steamers run by co-operative organisations are supplied by Denmark to the English people, at a cheaper rate than that offered by the English farmer to his own countrymen. It must be our objective hereafter to attract our unemployed young men to agriculture and industry. In that, Government will help them. If it is made increasingly clear to every young man and young woman in the country that Government, for their normal work, do not want B. A's., B. L's. or M. A's., and that the money spent on higher education could better be utilised for the improvement of his farms and factories, it is possible that our young men may turn towards agriculture. The glamour of clerical and ministerial service must be strenuously extinguished.

Now, the remarks which I made with regard to the Agricultural and Co-operative Departments were not made with a view to offer a reproach. The Agricultural and Co-operative Departments in Travancore are as good as the Departments elsewhere. The whole outlook has to be changed. What is wanted is intensive agriculture which alone can enable us to grow our own food. Unless we achieve this, we shall be nowhere. The Agricultural Department will bear that in mind and work with that end in view.

Now I come to another question which has a vital bearing on the prosperity of the country and that is the question of administration of justice. It is not necessary for me to point out that elimination of delay in the administration of justice is fundamental to commercial and industrial prosperity. It would indeed be difficult if a person who has got commercial transactions has to wait 4, 5, 6 or 7 years for realisation of his dues. If he has also to encounter various vexatious judicial obstacles such as indefinite adjournments and stay of proceedings and so forth, then it would be all the more difficult for him. We cannot have what may be called real progress unless we eliminate law's delays.

At the same time let me deal with the extravagant suggestion put forward by certain persons who ought to have known better. It has been said that Indian States should have resort to the High Court of some neighbouring province by way of appeal against the judgments of their own High Courts. I have practised in many of the Courts in India and also in England and I have studied judicial systems in Europe; and I may assure honourable members in this House and the public beyond our confines, in the matter of judicial accumen, impartiality and what may be called judicial and legal equipment, the Travancore High Court and the subordinate judiciary and bar here are not behind their compeers in the High Court in Madras or in any other British Indian Province. It is a preposterous idea to ask the Hyderabad, the Mysore, or the Travancore Courts to make themselves subordinate to any of the British Indian High Courts. From a comparison with the most of the other High Courts in India we shall not suffer in any respect. The idea is fantastic and the best treatment will be to ignore it.

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Having said that, I come back to the question of laws' delays. It is hoped that lawyers and judges will co-operate in order to make it possible for Travancore to be as good in the matter of speediness in the transaction of legal business and in the quick formulation of legal judgments, as any other State or Province. Unless that is done, we shall not improve our trade or commerce. People are shy of investing money in Travancore. People are shy of conducting business here. Why? Largely because of laws' delays. I do not say that elsewhere matters are perfect. Figures are before me which would show that the position is worse in some other places. But that is no consolation. It is hoped that Travancore will set its house in order in this respect. I am confident that the legal and judicial elements in the country will co-operate to that end.

The next point that I want to dwell upon is the question of our forest resources. I would have had nothing to say on the subject but for the fact that there is a series of questions with regard to the possibilities of the experiment conducted by Mr. Kamesam.

Now, honourable members will be glad to hear—because as very often happens, no man is properly appreciated in India unless he gets a certificate from somewhere outside—Mr. Kamesam was fortunate to get recently a lakh of rupees for his ascu patent right sold to a certain American scientific syndicate. I congratulate him for this recognition. It is not merely for theoretical experimentation that Government have engaged his services: he has got certain realistic ideas which the Government thought they could take advantage of. A scientist should be an idealist and a realist as well. To the extent to which he is an idealist Government will clip his wings and to the extent to which he is a realist Government will take advantage of the results of his realistic experimentations.

With regard to the minerals, the position is this: Some years ago, the Travancore Government handed over to one company 100 miles of our seaside up to a particular width, for the purpose of exploiting the mineral resources found in the sands. Subsequently similar licenees were given to other companies also. These companies made large profits, but the royalty they paid to Government was very meagre. So, Government resolved that nobody could get licences for exploiting our mineral resources unless Government were paid a certain percentage of the net profit out of the venture. While we are glad to encourage the exploitation of the mineral resources of our country, we should be very careful that the State's financial interests are duly safeguarded. Government are fully aware of the fact that any competitive commercial enterprise departmentally run is not likely to succeed: but where there is a monopoly, there is no harm in Government undertaking its exploitation. This is preferable to handing over the monopoly to private persons without adequate protection to governmental interestst In the matter of china clay it is a monopoly and we mean to keep tha. property to ourselves and utilise it to the utmost benefit of the State.

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Moreover, we are primarily interested in selling the china clay in lump, than in the manufacture of artistic wares out of it. But by the manufacture of pipes and other articles for Government needs even without manufacturing artware we hope to make considerable profit. The sale of artware is a difficult proposition by reason of world competition.

Next we come to the question of Transport. The Financial Secretary has made it abundantly clear in his statement that the scheme has great possibilities. It was first intended to start the scheme on a particular route and see the result at the end of two years; that period expires in March next year. The House will, I trust, express itself as to whether we should extend the scheme or not. The minimum profit that we should get is 15 to 20 per cent, on the capital outlay. Now, the very first month of opening the Munnar-Cochin Transportation has demonstrated what a profitable concern it is. I shall explain the outlines of the scheme. Till now, all the tea produced in the High Ranges—they produce a considerable proportion of the total quantity of tea grown in India—went from Travancore to Bodinayakanur and *via* Bodinayakanur to Tuticorin. Therefore, the State was losing all the profits derivable from the exportation of tea from the High Ranges, as also the profit that could be made by the transportation, back to the estates, of all provisions required for the estate coolies. Now, with the development of the Cochin Harbour, after negotiations, we got the agency for transportation to and from Cochin and Munnar *via* Alwaye. This means that we are to transport perhaps 40 to 50 thousand tons of exportable material for the mutual benefit of Cochin Port and Travancore. In this connection I may say, in view of certain observations let fall elsewhere that we do not admit that by doing all this we shall forget Alleppey and its claims. We propose to maintain and develop our own ports, while helping substantially the Cochin Harbour scheme in which we are partners.

The advantage of private management of industrial concerns has been proved by the transfer of the Government Sugar Factory which was a practically defunct and insolvent Travancore company. It has been stated that the Government have encouraged an essentially foreign concern in this respect. Whose fault was that? The shares of the company were open for Travancoreans. But how many shares were taken by Travancoreans? In any case, the company has paid to our Government, last year, an amount of Rs 57,500 by way of income-tax surper-tax and our share of the net profits. And the company is extending its operation to a large range of pharmaceutical products.

Now a word about the Rubber Factory. When this factory was run by Government it met with the usual fate. Then it was transferred to the management of a lessee. The products of the factory were good. They made various beautiful artistic things, but they ignored the necessity of propaganda and marketing arrangements. They committed the same error as Governments are apt to commit, *i. e.*, sit down and write notes and expect profits to drop into their bags.

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[President.]

The present idea is this ; there is the Transport Department which can utilise at least one product of the Rubber Factory, namely, the inner tubes. And then, the factory can produce good bicycle tyres and tubes; there are innumerable young men—and perhaps young women also hereafter—who use bicycles for their work or as a pastime. It is thus hoped that there will be an assured market for bicycle tyres and tubes. If the factory will supply all the inner tubes required for the Government Transport Department and for the other transport systems in the State, as also bicycle tyres and tubes, I think it can be run on a profit, provided the Government brings into existence an efficient marketing organisation. I may assure the House that unless the Government are able to bring into existence a proper marketing agency, Government will not think of working the factory again. There is no use making a thing on a commercial scale, unless you know how to sell it.

In order to achieve the results that we anticipate from all these enterprises what is wanted is enthusiasm and a re-oriented system of education; or in other words the practicalisation of education. It is there that we have our University to help us. The extent to which the University will cease to be a manufactory of second-rate by-products, and the extent to which it is able to send out intelligent, trained young men whose aspirations and bent of mind will be towards nation building activities, will be the measure of our having achieved our objects in starting our own University. Almost every day, we get questions relating to public service; that has become what may be called the main pre-occupation of the journals of the State as it is one of the main items on which legislatures concentrate. It is the hope of Government that sooner or later public service will be regarded as a secondary and ancillary feature of national life and national activity. It is in order to make the public service, clerical posts and ministerial appointments, not the main ambition of the people of the country, that we are trying at reorganisation of our education,—physical, intellecutal and psychological.

Now, fellow-members, the future programme of the State does not contemplate any fresh taxation; it relies for revenue upon natural expansion, and upon the utilisation of the natural resources of the State, including the forests and fields and minerals and their exploitation, the possibility of the export of fish, fish oil, cocoanut, cocoanut products, glycerine manufactured out of cocoanut oil, and the manufacture of sulphuric acid and hydrochloric acid in the State as ancillary to large-scale industry. In order to bring about success in this venture, team spirit is essential, and it should not be allowed to flag. In this connection it is worthwhile referring to a pronouncement recently made, which unless I mention the name of the author, may not be believed to have emanated from that source.

> "While I am in favour of encouraging cottage industries, I lay emphasis on the industrialisation of the country on a wide

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scale, which alone can produce the requisite amount of material for the people if they are to have higher standards of life."

The author of this statement is Pandit Jawaharlal Nehru. Please note 'higher standards of life'—not the lowering of the standard of living by having recourse to misdirected ideals. He insists on industrialisation, not as contradistinguished from or opposed to cottage industries, but side by side with it. I shall not dilate upon this. Unfortunately we have suffered a great deal from the conflict between two ideals. Fortunately those ideals are now being harmonised.

There is a final thought which may be kept in mind. The people of Travancore have a right to be proud of themselves. They have got a duty to preserve the prestige, the honour, the dignity, the glory of Travancore. Our material progress depends on our psychological qualities, equipment and strivings as much as on our physical attributes and our accessories. Therefore, it must always be remembered by the men and women of Travancore that, to the extent to which they are proud of Travancore, to the extent to which they are anxious and prepared to make Travancore the foremost State in India and one of the foremost units of the British Empire, to that extent alone will they justify themselves. With that hope; with the feeling that Travancore will surely rise to the full height of her own stature, I wish you God-speed in your labours. (*Cheers.*)

The joint sitting terminated at 1-10 P. M.

A. GUNAMONY,

Secretary to the Sri Chitra State Council.

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